

**OFFICIAL STATEMENT
TENNESSEE STATE SCHOOL BOND AUTHORITY
HIGHER EDUCATIONAL FACILITIES
SECOND PROGRAM BONDS
\$166,990,000 2008 SERIES B**

Dated: December 1, 2008**Due: May 1 (as shown on inside front cover)**

This Official Statement has been prepared by the Tennessee State School Bond Authority (the “Authority”) to provide information relating to the Authority’s Higher Educational Facilities Second Program Bonds, 2008 Series B (the “2008B Bonds” or “Offered Bonds”). Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Offered Bonds, a prospective investor should read the Official Statement in its entirety.

Security	The Offered Bonds are special obligations of the Authority payable from and secured by Annual Financing Charges and Legislative Appropriations (as each such term is defined herein) payable to the Authority by the Board of Trustees of The University of Tennessee and the Tennessee Board of Regents of the State University and Community College System of the State of Tennessee and other funds as more fully described herein. (See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein).
Purpose	See “PURPOSES OF THE OFFERED BONDS” herein.
Interest Payment Dates	November 1 and May 1, beginning May 1, 2009.
Interest Rates/Prices/Yields	See inside front cover.
Denominations	\$5,000 or integral multiples thereof.
Book-Entry Only System	The Depository Trust Company. See Appendix F.
Redemption	<p>The Offered Bonds maturing on or after May 1, 2019 are subject to optional redemption by the Authority on or after May 1, 2018 at par.</p> <p>Term bonds are subject to mandatory sinking fund redemption at par.</p> <p>See “DESCRIPTION OF THE OFFERED BONDS –Redemption” herein.</p>
Tax Exemption	<p>Interest on the Offered Bonds is not included in gross income for Federal income tax purposes to the extent and subject to the conditions, limitations and continuing compliance with tax covenants as described herein.</p> <p>The Offered Bonds and the interest thereon are exempt from Tennessee taxes, subject to certain exceptions.</p> <p>See “TAX MATTERS” herein.</p>
Ratings	See “RATINGS” herein.
Trustee/Paying Agent	Regions Bank, Nashville, Tennessee.

The Offered Bonds are offered when, as and if issued and received by the Underwriters subject to certain conditions, including the approval of legality by Hawkins Delafield & Wood LLP, Bond Counsel to the Authority. Certain legal matters in connection with the Offered Bonds are subject to the approval of the Attorney General and Reporter of the State of Tennessee, as counsel to the Authority, and Lewis & Munday, A Professional Corporation, and Vinson & Elkins, L.L.P., co-counsel to the Underwriters. The Offered Bonds are expected to be available through the facilities of The Depository Trust Company on or about December 17, 2008.

J.P. MORGAN**BANC OF AMERICA SECURITIES LLC****M. R. BEAL & COMPANY****MORGAN KEEGAN & COMPANY, INC.****PRAGER, SEALY & CO, LLC****Dated: November 18, 2008**

TENNESSEE STATE SCHOOL BOND AUTHORITY

Higher Educational Facilities Second Program Bonds

\$166,990,000 2008 Series B

Maturities, Amounts, Interest Rates, Yields, and Cusip Numbers

Due May 1	Amount	Interest Rate	Yield	Cusip No. 880557*
2009	\$1,270,000	4.00%	1.25%	Y23
2010	4,495,000	4.00%	2.23%	Y31
2011	5,340,000	5.00%	2.53%	Y49
2012	5,615,000	3.50%	2.88%	Y56
2013	5,825,000	5.00%	3.08%	Y64
2014	6,130,000	4.00%	3.29%	Y72
2015	6,385,000	4.00%	3.47%	Y80
2016	6,655,000	5.00%	3.68%	Y98
2017	7,000,000	4.25%	3.90%	Z22
2018	7,315,000	5.00%	4.09%	Z30
2019	7,695,000	5.00%	4.33%	** Z48
2020	8,095,000	5.00%	4.51%	** Z55
2021	8,515,000	5.00%	4.63%	** Z63
2022	8,960,000	5.00%	4.71%	** Z71
2023	9,425,000	4.75%	4.84%	Z89
2024	6,305,000	5.00%	4.87%	** Z97
2025	6,630,000	5.00%	4.94%	** 2A0

\$22,035,000 5.000% Term Bonds Due May 1, 2028 - Yield 5.090% Cusip 8805572B8

\$14,440,000 5.125% Term Bonds Due May 1, 2033 - Yield 5.250% Cusip 8805572C6

\$18,860,000 5.500% Term Bonds Due May 1, 2038 - Yield 5.350%** Cusip 8805572D4

*These CUSIP numbers have been assigned by Standard & Poor's CUSIP service bureau, a division of The McGraw Hill Companies, Inc, and are intended solely for the convenience of the Bondholders. Neither the Authority nor the Underwriters are responsible for the selection or use of these CUSIP numbers, nor is it any representation made as to their correctness on the Offered Bonds or as indicated herein.

**Priced to first optional redemption date of May 1, 2018.

For the purpose of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document constitutes an Official Statement of the Authority with respect to the Offered Bonds that has been deemed “final” by the Authority as of its date except for the omission of no more than the information permitted by subsection (b)(1) of Rule 15c2-12.

This Official Statement does not constitute an offering of any security other than the Offered Bonds specifically offered hereby. No dealer, broker or other person has been authorized by the Authority to give any information or to make any representation other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of, the Offered Bonds by any persons in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

Certain information set forth herein has been provided by the Authority. Certain other information set forth herein has been obtained by the Authority from sources believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances in this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

NO REGISTRATION STATEMENT RELATING TO THE OFFERED BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AGENCY. NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE OFFERED BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

In making an investment decision, investors must rely on their own examination of the Authority and the terms of the offering, including the merits and risks involved.

The prices and other terms respecting the offering and sale of the Offered Bonds may be changed from time to time by the Underwriters after such Offered Bonds are released for sale, and the Offered Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Offered Bonds into investment accounts.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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TENNESSEE STATE SCHOOL BOND AUTHORITY*

Phil Bredesen, Governor, *Chairman*
John G. Morgan, Comptroller of the Treasury, *Secretary*
Riley C. Darnell, Secretary of State
Dale Sims, State Treasurer
Dave Goetz, Commissioner of Finance and Administration
Dr. John Petersen, President of the University of Tennessee
Dr. Charles Manning, Chancellor of the Tennessee Board of Regents

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Mary-Margaret Collier, Director of Bond Finance, *Assistant Secretary*
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BOND COUNSEL TO AUTHORITY

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AUTHORITY'S COUNSEL

Attorney General and Reporter of the State of Tennessee, Nashville, Tennessee

FINANCIAL ADVISOR

Public Financial Management, Inc., Memphis, Tennessee

*See "The Authority – Membership of the Authority" herein.